Department of Telecommunications and Energy
Record Request

THE BERKSHIRE GAS COMPANY
D.T.E. 04-47

Witness: **Karen L. Zink**
Date Filed: **September 20, 2004**

Question
DTE-RR-1: Please provide comments on how the Company's margin sharing proposal compares to that proposed by KeySpan in connection with its agreement with El Paso.

Response: Berkshire believes that its proposal to treat margins generated within the alliance pursuant to the standards stated in Interruptible Transportation, D.P.U. 93-141-A is fully consistent with KeySpan's treatment of margins generated pursuant to its own agreement with El Paso approved by the Department. In Boston Gas Company et al., D.T.E. 99-76, p. 23, n. 15 (1999) the Department held that the margin sharing formula from D.P.U. 93-141-A was applicable so long as the applicable threshold was exceeded. Thus, Boston Gas' margins were treated in a manner that was, in fact, fully consistent with D.P.U. 93-141-A. Berkshire understands that KeySpan has proposed that the D.P.U. 93-141-A standard be applied to margins generated pursuant to a portfolio optimization agreement under review in docket D.T.E. 04-9.

As previously stated, Berkshire submits that its proposal is similarly fully consistent with the directives in Interruptible Transportation, D.P.U. 93-141-A (1995). Berkshire respectfully submits that absent such treatment, it will be "penalized" as a result of "pursuing a portfolio management approach that [produces] benefits for customers," a result the Department has expressly found to be inappropriate. See Boston Gas, D.T.E. 99-76, pp. 22-23.